



ANTHONY A. WILLIAMS

MAYOR

February 6, 2006

Honorable Linda W. Cropp
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Cropp:

Enclosed for the Council's consideration and approval is the "District of Columbia Tobacco Settlement Financing Corporation Asset-Backed Bonds Authorization Resolution of 2006". I am submitting this legislation along with five other pieces of related legislation to ensure completion of the National Capital Medical Center ("NCMC") project.

This new hospital is essential to creating a comprehensive, high-quality healthcare delivery system in the District of Columbia. It will improve the distribution of medical services across the city. In particular, it will expand access to emergency, trauma, inpatient, specialty, and diagnostic care for our poorest and sickest residents on the Eastern side of the District, who are currently medically underserved. Additionally, new NCMC emergency room capacity will take pressure off hospital ERs around the city, improving the District's emergency response capability. The NCMC will also ensure that the District's level one trauma facilities are not clustered in the same part of the city, which could be problematic in the event of a major disaster.

The Council initially directed me to pursue a new hospital with Howard University through emergency legislation in November 2003. Subsequently in May of 2004, the Council unanimously approved a Memorandum of Understanding between the District and Howard. In January 2006, President Patrick Swygert and I signed the Exclusive Rights Agreement (ERA) for the construction of the NCMC.

This resolution would authorize the District of Columbia Tobacco Settlement Financing Corporation to issue Tobacco Settlement Asset-Backed Bonds to finance the National Capital Medical Center and other capital projects. Upon passage of this bill, and passage of an accompanying Council Act—the Tobacco Settlement Trust Fund and Tobacco Settlement Financing Amendment Act of 2006—the District plans to issue additional

Tobacco Settlement bonds with proceeds expected to yield \$200 million to \$230 million. These proceeds are intended to be used to fund the District's grant of no more than \$212,168,000 to Howard University to build the National Capital Medical Center. By using Tobacco Settlement Trust Fund bond proceeds to pay for the NCMC, we will not increase the District's debt burden, we will not tap the general fund or any general fund surplus, and we will not increase taxes on District residents. Moreover, we will be using the Tobacco Settlement Trust Fund for a logical purpose, to address the healthcare needs of District residents.

In addition to this Tobacco Settlement Trust Resolution, I am introducing five other related pieces of legislation that will allow the District to complete the NCMC project with Howard: an exclusive rights agreement, a grant agreement, a lease agreement, a Certificate of Need exemption, and an amendment to the Tobacco Settlement Trust Fund Establishment Act.

The six related pieces of legislation should be viewed by the Council as a package. They must all be approved in order to move forward with the National Capital Medical Center Project. I hope the Council will work with me to advance this hospital project, which is so important to the health and welfare of District residents. I look forward to Council action on the Tobacco Settlement Trust Fund legislation and the other related pieces of legislation this spring.

Sincerely,

A handwritten signature in black ink, reading "Anthony A. Williams". The signature is written in a cursive, flowing style.

Anthony A. Williams

Chairman Linda Cropp
at the request of the Mayor

A RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve the District of Columbia Tobacco Settlement Financing Corporation's issuance of Tobacco Settlement Asset-Backed Bonds to finance Capital Projects and other undertakings of the District, including the National Capital Medical Center.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "District of Columbia Tobacco Settlement Financing Corporation Asset-Backed Bond Issuance Approval Resolution of 2006".

Sec. 2. Pursuant to the District of Columbia Tobacco Settlement Financing Emergency Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 7-1831.01, et seq.) (the "Act"), including any amendments thereto, the Council approves the District of Columbia Tobacco Settlement Financing Corporation (the "Corporation") proposal for issuance of its not to exceed \$300 million Asset-Backed Bonds (the "Bonds") to finance, in accordance with the provisions of the Act, capital projects and other undertakings of the District, including the proposed National Capital Medical Center .

Sec. 3. The Council shall transmit a copy of this resolution, upon its adoption, to the Chairman of the Corporation and to the Office of the Mayor.

Sec. 4. This resolution shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto) and publication in the District of Columbia Register.